

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

01-164A

2. STATE:

New Jersey

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

March 13, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.272

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$19.7 million

b. FFY 2002 \$33.9 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Table of Contents

Attachment 4.19-A, Page I-264

Attachment 4.19-A, Page V-1

*** SEE REMARKS

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same

Same

New Page

10. SUBJECT OF AMENDMENT:

Additional Payment for Non-State, Governmental Major Teaching Hospitals

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

Exempt pursuant to 7.4 of the Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

James W. Smith, Jr.

14. TITLE:

Acting Commissioner

15. DATE SUBMITTED:

16. RETURN TO:

Division of Medical Assistance
and Health ServicesP.O. Box 712
Trenton, NJ 08625-0712

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
REIMBURSEMENT SECTION**

**ATTACHMENT 4.19-A REIMBURSEMENT FOR HOSPITAL SERVICES
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Supersedes 00-4-MA 01-16-MA (NJ)

TN 01-16 Approval Date JUN 18 2001
Supersedes 00-04 Effective Date MAR 13 2001

5. Payments for the University of Medicine and Dentistry

- a) The Commissioner of Human Services shall designate as a DSH and make a DSH payment to teaching hospitals whose medical programs are established by the Department of Education and whose board of trustees include both the Chancellor of Higher Education and the Commissioner of Health and Senior Services or their successors, if the total operating costs of the hospital exceed third party payments, including all Medicaid payments (other than DSH payments), and payments from non-State sources for services provided by the hospitals during the hospitals' fiscal year.
- b) Payments shall be calculated in the following manner:
 - i) The DSH payment shall be equal to the amount recommended by the Office of Management and Budget or designee. This amount shall equal the total operating cost of the facility, less any third party amounts, including all other Medicaid payments, as well as payments from non-governmental sources for services provided by the hospital during the facility's fiscal year. The following formula illustrates the payment adjustment to be made to eligible hospitals:

Payment = Total Operating Cost - [(Medicaid Payments excluding DSH) + (Third Party Payments and Non-State Sourced Payments)]

Supersedes 95-19-MA

01-16-MA (NJ)

TN 01-16 Approval Date JUN 18 2001
Supersedes 95-19 Effective Date MAR 13 2001

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
NON-STATE, GOVERNMENTAL MAJOR TEACHING HOSPITALS**

The Department of Human Services intends to make additional payments to non-State, governmental major teaching hospitals. Major teaching hospitals are defined as those hospitals which had a minimum of 45 intern and resident full-time equivalents in all approved and accredited residencies from the 1997 Medicare first finalized audited cost report.

The Department will use the following methodology to calculate and pay additional Medicaid payments to qualifying non-State, governmental major teaching hospitals:

1. For each State fiscal year, the Department will calculate the maximum additional payments that it can make to the qualifying facility(ies) in conformance with 42 CFR 447.272.
2. The total of all additional payments will be apportioned to each qualifying facility based on the number of Medicaid days for each facility compared to the total Medicaid days for all qualifying facilities.
3. The applicable portion of the additional payment will be made to each qualifying facility on a monthly basis.

01-16-MA (NJ)

New Page

TN 01-16 Approval Date JUN 18 2001
Supersedes New Effective Date MAR 13 2001